



Department of Justice

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WEDNESDAY, NOVEMBER 25, 1998
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JUSTICE DEPARTMENT APPROVES CHANCELLOR MEDIA CORPORATION'S ACQUISITION OF WHITECO INDUSTRIES' OUTDOOR ADVERTISING ASSETS

Divestiture of Certain Whiteco Assets Required to Close Deal

WASHINGTON, D.C. -- The Department of Justice reached a settlement today with Chancellor Media Corporation allowing it to go forward with its \$930 million acquisition of Whiteco Industries Inc. after Chancellor agreed to sell outdoor advertising assets in seven counties located throughout Kansas, Pennsylvania, Connecticut and Texas.

Chancellor and Whiteco are head-to-head competitors in the business of selling outdoor advertising, such as billboard space, to business consumers.

"Without this divestiture local and small business consumers for whom outdoor advertising is an essential form of media communication would have paid higher prices for advertising," said Joel I. Klein, Assistant Attorney General in charge of the Antitrust Division. "This divestiture ensures that consumers will continue to have the benefits of competition."

The divestiture will include assets in Hartford County, Connecticut; Shawnee County, Kansas; Leavenworth County, Kansas; Potter County, Texas; Nolan County, Texas; and Westmoreland and Washington, Counties, Pennsylvania.

The Department's Antitrust Division filed suit today in the U.S. District Court in Washington, D.C. to block Chancellor's original proposal to acquire Whiteco's outdoor advertising business. At the same time, a proposed settlement was filed that, if approved by the court, would settle the case.

According to the complaint, the combined entity in Hartford County would have had a market share of 100 percent. In the remaining markets, the combined entity would have had shares ranging from 48 percent to 88 percent. The complaint states that the merger would have reduced competition in the seven areas, thereby leading to higher prices for outdoor advertising.

The proposed settlement requires the defendants to divest bulletin faces equal to the number of faces operated by Whiteco in each of the seven county areas, to a buyer or buyers that will continue to operate the bulletin faces as ongoing outdoor advertising businesses.

Chancellor Media Corporation, a Delaware Corporation headquartered in Dallas, conducts some of its outdoor advertising business through its subsidiary, Martin Media, also headquartered in Dallas. Martin sells outdoor advertising in several states throughout the U.S. In 1997, Martin had approximately \$88 million overall in outdoor advertising sales.

Whiteco Industries Inc. is a Nebraska Corporation, headquartered in Merrville, Indiana. Whiteco has outdoor advertising operations in 32 states throughout the United States. Metro Management Associates, an Indiana general partnership, also sells outdoor advertising in association with Whiteco. Last year, Whiteco had annual revenues of approximately \$6.9 million, while Metro's annual revenue was approximately \$7.3 million.

As required by the Tunney Act, the proposed consent decree, along with the Department's Competitive Impact Statement, will be published in the Federal Register. Any person may submit written comments concerning the proposed decree during a sixty-day comment period to Craig Conrath, Chief; Merger Task Force; Antitrust Division; U.S. Department of Justice; 1401 H Street, NW, Suite 4000; Washington, D.C. 20530. At the conclusion of the comment period, the Court may enter the consent decree upon a finding that it serves the public's interest.

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